


# The 2001 Residential Finance Survey



***Improve  
Profitability  
and Identify  
New Market  
Niches***

***The Survey Results May Influence  
Mortgage Lending Decisions!***

**U S C E N S U S B U R E A U**

*Helping You Make Informed Decisions*



## **What Is the 2001 Residential Finance Survey?**

Beginning in 1950, the U.S. Census Bureau has collected vital information about residential finance the year after every decennial census. The Residential Finance Survey (RFS) collects data from rental property owners, homeowners, and lending institutions to produce the most comprehensive data about the acquisition and financing of homes and rental properties.

RFS data have influenced critical decisions affecting property owners throughout the decade. For example, banks and other lenders use the RFS data to gauge and improve their competitiveness and

to determine the degree of their future involvement with products such as loans on rental properties.

The RFS is conducted once every 10 years. The most comprehensive survey of its kind, it provides a statistical “snapshot” of property, owner, and mortgage characteristics for residential properties at national and regional levels. Additional results are tabulated for three types of areas—in central cities, in suburbs, and outside metropolitan areas. Results are also available for several of the larger states.

## **Why Is It Important That I Participate as a Rental Property Owner?**

As a rental property owner, you provide the information that mortgage lenders need to make the decisions that influence your ability to get future loans at competitive market rates. When data indicate a low risk for lending, loans and opportunities for rental property ownership are more widely available. Additionally, comprehensive RFS data may be used by mortgage lenders to assess whether to lower interest rates.

*The RFS:*

- Collects information about federal, state, and local government programs in which your participation may improve the profitability of your rental property.
- Collects data on housing for the elderly (e.g., assisted living and retirement housing), multifamily properties, and other potentially lucrative market niches.
- Has been enhanced to include data on operating expenses and capital improvements for multifamily housing. This information provides for competitive analysis among rental property owners.





***We will collect information from property owners beginning in April of 2001, and from mortgage lenders from July through October of 2001.***

## **What Makes the RFS Such a Valuable Source of Information?**

**RFS data are unique, comprehensive, and confidential.**

- It is the **ONLY** source of information on property, mortgage, and financial characteristics for multifamily rental properties. These data will influence standards for underwriting multifamily mortgages.
- It is the only survey that collects information on mortgage financing by individual investors, who provided 7 percent of the funds for mortgages for rental properties in 1991.
- The RFS collects, tabulates, and presents data for properties, the standard unit of reference for financial transactions related to housing.
- It surveys both property owners and mortgage lenders, resulting in more accurate and complete information on property and mortgage characteristics.
- Response to the RFS is required under Title 13, Section 141, United States Code. This same law guarantees that we will keep all responses **CONFIDENTIAL**. We cannot publish or otherwise release information identifying any individual lender, property, or mortgage loan to any other government agency or to any private organization.
- The U.S. Census Bureau has the authority to receive financial information under Section 1113(d) of the Right to Financial Privacy Act (Title 12, United States Code, Section 3413(d)).



## **How Is the Survey Designed?**

**We have taken steps to make this the best RFS ever.**

- The properties for the 2001 RFS are selected from a sample of housing units existing in the year 2000. About 65,000 properties will be in the survey.
- The questions in the survey were developed in consultation with many organizations directly involved with housing and mortgage finance, including Fannie Mae® and Freddie Mac, the Mortgage Bankers Association, the National Association of Realtors®, the National Association of Home Builders, and the National Multi Housing Council.
- Focus groups and testing were conducted with property owners to get their opinions on the RFS content and collection procedures, and to ensure the validity of the questions asked.

## What Has Changed Since the 1991 RFS?

Did you know—

- In 1991, 50 percent of the institutional, investor-owned properties were single-family homes. How has this changed in the last 10 years?
- In the 1980s, average annual appreciation of the value of rental property owned by institutional investors (such as partnerships and REITs) was 7.8 percent per year, compared to properties owned by individual investors at 6.5 percent per year. How much was it in the 1990s?
- Individuals owned the majority of rental properties, including 20 percent of large rental properties (those with 50 or more units). Are individuals still heavily involved in the rental property market?
- Commercial banks and savings and loans held 38 percent of the first mortgages on large rental properties in 1991. How has market share changed in the 1990s?



## Where Can I Get More Information About the RFS?

- Visit us on the Internet at:  
<http://www.census.gov/cb/rfs>
- Direct e-mail inquiries to Howard Savage at: [msomlr@census.gov](mailto:msomlr@census.gov). Please insert "Residential Finance Survey" in the subject line.

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